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**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

**ARTICLE I.
PURPOSE**

The purpose of the Pooled Comprehensive Liability Program is to provide the corporations controlled by the Sisters of Mercy Health System, St. Louis, Inc., and certain other entities and individuals as further defined in this document, a mechanism to evaluate and defend claims of liability and to centralize the handling of such claims and accumulate funds for the payment of those potential losses hereinafter described. The Program does not furnish the Participants or Indemnitees with a contract of insurance.

**ARTICLE II.
DEFINITIONS**

"Administrator" The Vice President/General Counsel of Sisters of Mercy Health System, St. Louis, Inc.

"Advertising Injury" Injury arising out of any one or more of the following offenses: a) oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; b) oral or written publication of material that violates a person's right of privacy; c) misappropriation of advertising ideas or style of doing business; or d) infringement of copyright, title, or slogan.

"Affiliate" a) Any corporation, association, business trust, joint venture, partnership or similar entity organized on a for-profit basis under the laws of any state, in which a Participant (or its members or governing body) possesses, directly or indirectly, in excess of fifty percent (50%) of the voting rights with respect thereto; or b) any other corporation, association, business trust, joint venture, partnership or similar entity organized on a non-profit basis under the laws of any state, the articles of incorporation, bylaws, articles of association or similar organizational documents of which require or expressly permit a Participant (or its members or governing body) to exercise control thereof, whether through (i) appointment of officers or employees of such Participant (or its members or governing body) to a majority of its governing body on an ex-officio basis (with voting rights), (ii) appointment of a majority of members of such Governing Body by such Participant (or its members or governing body), or (iii) authority

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of the Participant (or its members or governing body) to remove a majority of the members of such Governing Body. For purposes of this definition, a Participant shall be deemed to have the power specified in clauses b)(i), (ii) and (iii) of the preceding sentence if such Participant can exercise such powers directly or through one or more intermediary persons.

"Annual Coverage" Period From July 1 of a given year to July 1, 12:01 a.m. St. Louis Time of the following year.

"Damages" All sums which a Participant or Indemnitee shall become legally obligated to pay by reason of liability imposed upon the Participant or Indemnitee by law or assumed by the Participant or Indemnitee under contract because of injury to which this Program applies. Damages does not include supplementary payments (as set forth in Article IV).

"Directors' and Officers' Liability" Liability of a person serving as a director, officer or trustee of a Participant or Affiliate for any acts, errors or omissions of such director or officer in the discharge of his or her duties as such.

"Employment Liability" arising out of conduct with respect to employment that Practices Liability" involves: a) an act with regard to another's employment because of that person's race, religion, creed, national origin, gender, disability, handicap, sexual orientation or preference or pregnancy; or b) one or more of the following acts: sexual harassment, wrongful termination, failure to promote/employ, breach of a contract of employment, misrepresentation, wrongful discipline, equal pay violations, invasion of privacy, defamation, wrongful infliction of emotional distress, retaliation.

"Fiduciary" Liability of any person for any acts, errors, or omissions of such Liability" person with respect to a retirement, welfare or employee benefit plan of a Participant or Affiliate if such person is named as a fiduciary of such plan or to the extent that such person exercises any discretionary authority or discretionary control in the administration of such plan or its assets.

"Finance and Audit Committee" A committee appointed by the Sisters of Mercy Health System Board of Directors to monitor and evaluate the financial condition and performance of SMHS operations.

"Fund" The trust established by the Participants to pay the claims, costs, and other liabilities described in Article VIII.

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"Hostile Fire"	Any fire that becomes uncontrollable or breaks out from the place in which it was intended to be.
"Indemnitee"	Any organization, entity, or individual qualifying for indemnification as described in Article VI.
"Medical"	Any act or omission of professional liability, together with all related "Occurrence" and ongoing acts or omissions in the rendering of professional services to any one person.
"Occurrence"	An accident, event, act, error or omission including continuous or repeated exposure to substantially the same condition, which results in injury or damage.
"Participant"	Any entity designated as such in Article V.
"Personal Injury"	Injury arising out of one or more of the following offenses: a) false arrest, detention, or imprisonment; b) malicious prosecution; c) oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or d) oral or written publication of material that violates a person's right of privacy.
"Professional Liability"	Liability arising out of any act or omission in the following: a) providing professional health care services including the furnishing of food, beverages, medications, devices or appliances in connection with such services and the postmortem handling of human bodies; b) service by any persons as members of a formal accreditation, standards review or similar professional board or committee of a Participant or Affiliate or a person charged with executing the directives of such board or committee; or c) furnishing services related to the business operations of a Health Maintenance Organization, Managed Care Organization or similar organization which provides, or arranges to provide, health care services to members under written contracts or agreements which set forth a directory of participating physicians (where applicable), the scope of health care services to be provided and the costs associated therewith.
"Program"	The Sisters of Mercy Health System, St. Louis Pooled Comprehensive Liability Program as set forth in this document and any amendments or supplements thereto.

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ARTICLE III. APPLICABILITY OF PROGRAM PROVISION

The coverage provided by this Program is subject to the particular terms, conditions, and limitations of the Program and the interpretation of its provisions by its Administrator.

ARTICLE IV. COVERAGE

Indemnification. Subject to the terms of the Program, including, without limitation, the liability limits as set forth in Article VIII., the Program will pay on behalf of each Participant or Indemnitee, from monies in the Fund, all sums which the Participant or Indemnitee shall become legally obligated to pay as Damages resulting from an Occurrence or Medical Occurrence to which this Program applies, including, without limitation, any such Occurrence or Medical Occurrence that gives rise to Professional Liability, Directors' and Officers' Liability, Employment Practices Liability, Fiduciary Liability, Personal Injury and Advertising Injury Liability, but only to the extent that such obligations are not otherwise covered by insurance and/or the Kansas Health Care Stabilization Fund, the Louisiana Patient Compensation Fund, or the Missouri Expense Fund.

Duty to Defend. The Program shall have the right and duty to defend any suit seeking Damages against a Participant or Indemnitee even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Program shall not be obligated to pay any claim or judgment or to defend any suit or otherwise incur any expense in connection with a claim or suit after the applicable limit of the Program's liability has been exhausted by the payment of judgments or settlements, or monies in the Fund have been exhausted. Before the Program disposes of a claim or suit, Program representatives will discuss the matter with representatives of the Participant involved. If representatives of the Program and the Participant involved are unable to come to agreement on the disposition of the claim or suit, the matter shall be referred to the Chief Operating Officer of Sisters of Mercy Health System, St. Louis, Inc., whose decision regarding the matter shall be final.

Supplementary Payments. In addition to the applicable limit of liability the Program will pay:

1. All expenses incurred by the Program, all costs taxed against a Participant or Indemnitee in any suit defended by the Program, and interest on the amount of any judgment which accrues prior to the judgment or after entry of the judgment and before the Program has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Program's liability;

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2. Premiums on appeal bonds required in any such suit and premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of the Program;
3. The cost of bail bonds required because of accidents or traffic law violations arising out of the use of any automobile or ambulance to which this coverage applies; and
4. Premiums on primary insurance coverage, surety bonds, surcharges, and other such costs as required by a State for participation in a state-sponsored patient compensation fund.

Supplementary payments shall not reduce the limits of coverage.

First Aid Exclusion. This program shall not apply to expenses incurred by a Participant for first aid rendered at the time of an incident unless the Participant complies with Article X. Paragraph D.

ARTICLE V. PARTICIPANTS

The following entities shall be Participants in the Program and indemnified, as such, hereunder:

St. Edward Mercy Medical Center
St. Joseph's Regional Health Center, Inc.
Mercy Hospitals of Kansas, Inc.
St. John's Place of New Orleans, Inc.
St. John's Mercy Health System
St. John's Health System, Inc.
Mercy Health Plans, Inc.
Sisters of Mercy Health System, St. Louis, Inc.*
Sisters of Mercy of the Americas, Regional Community of St. Louis
Mercy Health System, Inc.
Mercy Hospital of Laredo, Inc. d/b/a Mercy Regional Medical Center

* Coverage for Sisters of Mercy Health System, St. Louis, Inc. is subject to the limitations set forth in Article VIII.

ARTICLE VI. INDEMNITEES

In addition to the entities described in Article V. as Participants, each of the following is

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indemnified under this Program to the extent set forth herein:

1. The Affiliates of the Participants.
2. Any employee, executive officer, director, trustee, corporate member, advisory board member, committee member, hearing officer, religious, or volunteer of a Participant or Affiliate, while acting within the course and scope of his or her assigned duties.
3. Any medical staff member who while acting within the course and scope of his or her assigned duties:
 - a.) Performs administrative duties under the direction and control of a Participant, including, but not limited to, such duties as committee member, departmental director and medical director; or
 - b.) Performs peer review or similar professional accreditation or standards review activities under the direction and control of a Participant, including those practitioners who are not members of the medical staff of a Participant and who perform such functions as outside consultants.
4. Any intern, resident or fellow, who, while acting within the course and scope of his or her assigned program duties for a Participant, provides professional services under the direction and control of a Participant, provided that such intern, resident or fellow is not otherwise covered by a policy of insurance or indemnified under a self-insurance program of another organization or entity.

ARTICLE VII. EXCLUSIONS

This policy does not apply to the following and the Program shall have no duty of any kind with respect to any such loss, demand, claim or suit:

1. Any liability arising out of the clean-up, remedying, detoxifying, discharge, dispersal, dumping, release, or escape of smoke, vapors, soot, fumes, acid, alkalis, toxic chemicals, solids, liquids, or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere, outer space or any watercourse or body of water; but this exclusion does not apply to any liability at or from premises owned, rented or occupied by a Participant or Indemnitee arising out of a hostile fire.
2. Any liability occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation, nationalization, requisition, or destruction of or damage to property by or under the order of any government, public or local authority.

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3. Any loss, demand, claim or suit arising out of or related in any way to asbestos-containing materials, including but not limited to:
 - a.) Manufacture of, mining of, use of, sale of, or exposure to asbestos products, fibers or dust;
 - b.) Transportation, storage or disposal of asbestos or goods or products containing asbestos;
 - c.) Removal of asbestos from any goods, products or structures; and
 - d.) Inhalation, ingestion or physical exposure to asbestos or goods or products containing asbestos.
4. Property damage to:
 - a.) Property owned, occupied or rented to any Participant or Indemnitee;
 - b.) Property used by or loaned to a Participant or Indemnitee;
 - c.) Property in the care, custody or control of any Participant or Indemnitee as to which any Participant or Indemnitee is for any purpose exercising physical control, including loss of use thereof; however, this exclusion does not apply to the parking of an automobile on premises owned by, rented to or controlled by the Participant or Indemnitee or the ways immediately adjoining, if such automobile is not owned by or rented to or loaned to any Participant or Indemnitee; and
 - d.) That particular part of real property on which a Participant or Indemnitee or any contractors or subcontractors working directly or indirectly on such Participant's or Indemnitee's behalf are performing operations, if the property damage arises out of those operations.
5. Damages claimed for the withdrawal, repair, inspection, replacement, recall, return or loss of use of a Participant's or Indemnitee's products or work completed by or for a Participant or Indemnitee or of any property of which such products or work form a part.
6. Any liability arising out of dishonest, fraudulent, malicious or criminal acts, errors or omissions, or the violation or alleged violation of any law, statute, regulation or ordinance, including any amendments thereto.
7. Liability of an Indemnitee, if an individual, for acts or omissions outside the scope of such individual's applicable federal or state licensure or clinical privileges.

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8. Liability of a Participant or Indemnitee for the personal acts or omissions of a professional nature of an Indemnitee outside the scope of the Indemnitee's duties.
9. Any obligation for which a Participant or Indemnitee or any of its insurers may be held liable under any worker's compensation, unemployment compensation, disability benefits law, or any similar law.
10. Liability arising out of any watercraft in excess of 26 feet in length, or any owned aircraft.
11. Any liability arising out of a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations.
12. Any claim for the failure or omission to purchase or maintain bonds required by law; or established by any regulatory or industry body as standard, or the failure or omission to purchase or maintain insurance.
13. Any loss or liability excluded under the attached Nuclear Incident Exclusion Clause, unless such loss or liability arises in the rendering of professional or technical health care services.
14. Any liability in connection with any claim against a Participant or Indemnitee as the sponsor or administrator of any "Employee Benefit Plan" (as such term is defined in the Employer Retirement Income Security Act of 1974, as amended) because of a failure or inability to fund such Plan in accordance with the plan document and/or a failure to comply with any applicable statutory or regulatory requirements whether imposed under ERISA or the Internal Revenue Code of 1986, as amended.
15. Any liability in connection with any claim against a Participant or Indemnitee arising out of the failure to collect contributions owed to an Employee Benefit Plan from employees unless such failure is due to the negligence of the Participant or Indemnitee.
16. Any liability for payment in connection with any claim made against a Participant or Indemnitee for benefits paid or payable to a participant or beneficiary of the Employee Benefit Plan or other Employee Programs if such benefits are paid or may lawfully be paid from the funds of the Employee Benefit Plan or other Employee Programs.
17. Any damages, expenses or costs incurred by a Participant or Indemnitee in making physical changes, modifications, alterations or improvements as part of an accommodation or improvement of accessibility pursuant to the Americans with Disabilities Act of 1990, including any amendments thereto, the Rehabilitation Act of 1973, including any amendments thereto, or any similar federal, state, or local law or regulation.

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18. Any liability arising out of the inability to pay or collect premiums, claims or taxes.
19. Any liability arising out of unfair competition, price fixing, anti-trust, restraint of trade, racketeering or similar activities.
20. Any claim under the Securities and Exchange Act of 1934, including any amendments thereto, or any similar provisions of any state statute, common law or local ordinance.
21. Any injury or damage expected or intended from the standpoint of a Participant or Indemnitee. This exclusion does not apply to injury or damages resulting from the use of reasonable force to protect persons or property.
22. Any injury or damage to a) an employee of a Participant or Indemnitee arising out of and in the course of employment by such Participant or Indemnitee; or b) the spouse, child, parent or sibling of that employee as a consequence of a). This exclusion applies whether the Participant or Indemnitee may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of injury.
23. Any liability to pay punitive or exemplary damages.

ARTICLE VIII. **LIMITS OF LIABILITY**

Regardless of the number of Participants or Indemnitees, applicable coverages, persons or organizations who sustain injury, or claims made or suits brought on account of injury, the Program's liability shall be limited to \$5,000,000 per Occurrence or Medical Occurrence for all Damages arising from each and every Occurrence or Medical Occurrence covered by the Program.

If a Medical Occurrence arises from a series of related professional treatments or renderings of health care services, the limit to be applied is the limit that was in effect on the date the treatments or services commenced. If an Occurrence arises from a continuous or repeated exposure to substantially the same general harmful condition, the limit to be applied is the limit that was in effect on the date the exposure first commenced. All Occurrences arising out of the same error or omission or the same act, event or incident shall be considered to be the same Occurrence and the date of loss shall be the earliest date of Occurrence.

The Sisters of Mercy Health System, St. Louis, Inc. shall be considered a Participant for purposes of a separate limit of liability only at those times when the Medical Occurrence or

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Occurrence or injury giving rise to a claim or suit is separate and distinct from the activities or liabilities of the other Participants. At all other times, the Sisters of Mercy Health System, St. Louis, Inc. shall be considered an Indemnitee of the Participant giving rise to the claim or suit and a separate limit of liability applicable to the Sisters of Mercy Health System, Inc. shall not be available for payment of liabilities.

ARTICLE IX. FUNDING

A. Annual Assessment

For each Annual Coverage Period, the assessment to be charged all Participants for prospective exposures covered by this Program shall be determined by the SMHS Finance and Audit Committee based upon review and consideration of an actuarial analysis of the Program.

Each Participant shall pay a portion of this assessment based upon the sum of assessments paid or recognized by the Program on behalf of the Participant and amounts paid by the Program related to losses and expenses of the Participant for the nine years and eight months ended February 28 or February 29 then preceding, adjusted for inflation using the Consumer Price Index as published by the government of the United States of America.

B. Additional Assessments

1. While annual assessments are intended to cover anticipated future losses and related claims handling expenses, it is possible that adverse experience could exhaust the Program's resources. In the event of a potential Fund deficiency, a specific additional assessment, payable within 60 days of the date of the notice of assessment, will be assessed all Participants. The amount of such assessment shall be a sum necessary to reestablish the Fund's adequacy as determined by the Administrator of the Program and the Finance and Audit Committee. Allocation of the additional assessment between Participants will follow the proportionate allocation of the initial assessment for the year in which the assessment occurs.
2. An assessment may also be levied against a new Participant to the Program or against a Participant who, directly or through an Affiliate, engages in a new activity which, in the opinion of the Administrator, exposes the Program to significant added risk. The amount of the assessment shall be a sum necessary to cover anticipated future losses and related claims handling expenses arising from the added risk as determined by the Administrator of the Program.

C. Release of Funds

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If it is determined that Fund resources exceed levels deemed necessary to adequately fund liabilities, such excess shall be payable, within 60 days of the date of the determination that the Fund has excess resources, to all Participants with distribution being proportionate to the annual assessment for the year in which the distribution occurs.

D. Withdrawal from Program

If the Administrator of the Program determines that a) a Participant will cease operations; b) all or substantially all of the assets of a Participant will be sold or transferred to an entity that is not controlled by the Sisters of Mercy Health System, St. Louis, Inc.; or c) a Participant will be unable to continue participation in the Program, the Administrator shall make a one-time assessment of the Participant, the amount of which shall be based on prior payments made on behalf of the Participant which have not been repaid by the Participant, outstanding reserves and an adjustment for incurred but not reported claims.

A. Participant's Duties in the Event of an Occurrence, Claim or Suit

In the event of an Occurrence, Medical Occurrence, injury, claim, or suit, Participant (for itself and on behalf of any Indemnitee) is required to provide notice of the particulars of the situation to the Program in the manner set forth in the Sisters of Mercy Health System, St. Louis "Risk Management Policy and Procedure Manual."

Participants and Indemnitees shall cooperate with the Program's Administrator and staff in making settlements, the conduct of suits, and enforcing any right of contribution or indemnity against any person or organization who may be liable to a Participant or Indemnitee because of injury or damage with respect to which indemnification is provided under this Program; and the Participant or Indemnitee shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. A Participant or Indemnitee shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of an incident.

B. Risk Declarations

On or before May 15th of each year, each Participant must file with the Program a declaration of risks for which it desires coverage for the following Annual Coverage Period commencing on July 1. Failure to declare a risk shall be deemed to indicate a decision of the Participant to not seek Program protection for such risk. Participants may from time to time during the Annual Coverage Period, amend the declaration of risks to add or delete coverage of risks.

C. Declarations of Sublimit Protection

Each Participant will be allowed to direct the Program to create sublimits, i.e., lesser limits of protection, for its Affiliates, if, in its judgment, a lower schedule of protection is appropriate. The Program will have no responsibility for losses in excess of the

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sublimit created by a Participant.

D. Reimbursement of Payments to Claimants and Participant Charges

If a formal release and settlement of claim is secured from a potential claimant, the Program's responsibility for such claim will be as follows:

1. For amounts paid to separately billing health care providers such as office-based and hospital-based physicians, the Program will reimburse the Participant 100%.
2. For emergency care services, ancillary charges and other charges for care provided by the Participant or employee of Participant, the Program will reimburse the Participant 0%.

No Program obligation in favor of a Participant will exist if a formal release and settlement of claim as to possible future claims arising out of the alleged Medical Occurrence or Occurrence is not secured in accordance with the Program's routine claim handling practices.

E. Professional Liability Insurance Requirements for Medical Staff, Independent Contractors and Others Granted Clinical Privileges

Each Participant shall require its medical staff members, independent contractors, and other individuals who have been granted clinical privileges, both physicians and other professionals, to procure and maintain in force professional liability coverage of no less than \$500,000/\$500,000 from a carrier(s) then authorized or rated to sell such coverage in the state(s) in which the Participant operates. Physicians and other professionals who are Indemnitees under this Program are exempt from this requirement. In lieu of such coverage, physicians and other professionals practicing in the States of Kansas or Louisiana may participate in their respective state's patient compensation fund.

If a claim is asserted against a Participant and a medical staff member, independent contractor or other individual who has been granted clinical privileges and who is required to maintain professional liability coverage pursuant to the preceding paragraph, and the medical staff member, independent contractor or other individual who has been granted clinical privileges does not have the required coverage, the Participant shall be responsible for the amount of coverage which the medical staff member, independent contractor or other individual who has been granted clinical privileges should have had and this Program shall apply as though the required coverage had been maintained in full force and effect. This Program shall not be obligated to pay on behalf of a Participant that portion of any obligation of the Participant equal to the amount by which the coverage maintained by the medical staff member, independent contractor, or other individual in question is less than the coverage required above.

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Participants may choose either of the following options with regard to professional liability coverage of employed physicians.

1. A Participant may elect to declare an employed physician a risk for which the Program will accept responsibility. Coverage shall apply only while such physicians are acting within the scope and course of their assigned duties for the Participant.
2. A Participant may elect to purchase and maintain in force professional liability insurance coverage for its employed physician(s). Such insurance shall be in an amount not less than \$500,000/\$500,000, shall be procured from a carrier(s) then authorized or rated to sell such coverage in the state(s) in which the Participant operates and is deemed primary in accordance with Section J. of this Article. In lieu of purchased coverage and/or in addition to purchased coverage, physicians practicing in the States of Kansas or Louisiana may participate in their respective state's patient compensation fund.

G. Determination of Eligibility for Coverage, Assignment

The Program's continued status requires its protection to be confined to Participants and Indemnitees. The decision of the Administrator of the Program regarding the eligibility of a potential Participant or Indemnitee shall be final.

As a condition of participation in the Program, Participants and Indemnitees agree to preclude or refrain from entering into agreements with non-Indemnitees which assign, sell or otherwise provide Program protection, either retrospectively or prospectively. An assignment of interest under this Program shall not bind the Program unless and until the written consent of the Administrator is obtained.

H. Action Against the Fund

No action shall lie against the Fund or Program unless, as a condition precedent, there shall have been full compliance with all of the terms of this document, nor until the amount of a Participant's or Indemnitee's obligation to pay shall have been finally determined either by judgment against the Participant or Indemnitee after actual trial or by written agreement of the Participant or Indemnitee, the claimant and the Program.

Any person or organization, or the legal representative thereof, who has secured such judgment or written agreement shall thereafter be entitled to recover under this Program to the extent of the protection afforded by this Program. No person or organization shall have any right under this Program to join the Fund as a party to any action against a Participant or Indemnitee to determine the Participant's or

Indemnitee's liability, nor shall the Program or Fund be impleaded by a Participant or Indemnitee or the legal representative thereof.

I. Subrogation

In the event of any payment under this Program, the Program shall be subrogated to all the Participant's or Indemnitee's rights of recovery against any person or organization and the Participant or Indemnitee shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Participant or Indemnitee shall do nothing after loss to prejudice such rights.

J. Other Insurance

The protection afforded by this Program to a Participant is primary, except when stated to apply in excess of or contingent upon the absence of purchased insurance. When this Program is primary and a Participant has insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the Program's liability shall not be reduced by the existence of such insurance.

When an Indemnitee has insurance applicable to a loss or claim, coverage provided by the Program, if any, shall be excess.

K. Amendment

The terms of this Program may be amended or waived only by a written instrument approved by a majority of the Participants, subject to the final approval of the Chief Executive Officer of the Sisters of Mercy Health System, St. Louis, Inc.

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**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #1

By majority action of the Participants, the provisions of this Program are amended as follows:

For the Annual Coverage Period commencing on July 1, 1995, Professional Liability coverage afforded by this Program to Mercy Hospitals of Kansas, Inc. shall be excess of the purchased insurance provided by PHICO under Policy #HCL4813 and Policy #HCL4555 (Limits of Liability: \$200,000/\$600,000) and participation in the Kansas Health Care Stabilization Fund (Limits of Liability: \$800,000/\$2,400,000). The Program's limits of liability shall be reduced by any payments made by the insurance carrier and the Kansas Health Care Stabilization Fund.

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**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #2

By majority action of the Participants, the provisions of this Program are amended as follows:

The second paragraph of Article X.J. "Other Insurance" shall not apply when the following conditions are met:

- 1.) A physician employee or physician volunteer is acting within the course and scope of his or her assigned duties or contractual agreement with St. John's Mercy Health System or St. John's Mercy Medical Center; and
- 2.) Such physician is engaged in the training or instruction of a physician who is acting within the course and scope of his or her assigned duties as part of a formal fellowship or residency program and the physician instructor is physically present at the time of the Occurrence or Medical Occurrence giving rise to injury or damages; and
- 3.) Such training or instruction occurs as part of the care rendered to a patient of either the JFK Clinic or Meacham Park Clinic; and

The physician employee or physician volunteer is not authorized to retain revenue from either the patient or any third party for such care.

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**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #3

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective November 6, 1995, Mercy Hospital of Laredo, Inc., d/b/a Mercy Regional Medical Center shall terminate as a Participant in the Pooled Comprehensive Liability Program. Coincident with such termination, Mercy Health System of Texas, Inc. shall become a Participant in the Pooled Comprehensive Liability Program and shall assume the claims experience, loss history and funding obligations previously ascribed or allocated to Mercy Hospital of Laredo, Inc., d/b/a Mercy Regional Medical Center. Mercy Health System of Texas, Inc. shall be liable for any assessments owed by Mercy Hospital of Laredo, Inc., d/b/a Mercy Regional Medical Center and shall receive any credits or refunds due to Mercy Hospital of Laredo, Inc., d/b/a Mercy Regional Medical Center. Upon termination as a Participant, Mercy Hospital of Laredo, Inc., d/b/a Mercy Regional Medical Center shall become an Indemnitee under the Program as an Affiliate of Mercy Health System of Texas, Inc.

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**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #4

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective November 9, 1995, St. Mary-Rogers Memorial Hospital, Inc. shall become a Participant in the SMHS Pooled Comprehensive Liability Program.

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**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #5

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective October 1, 1995, students currently enrolled in the Medical Technology clinical internship program at St. Mary's Mercy Hospital of Enid shall be indemnified by the Program for liability arising from acts or omissions occurring during the course and scope of their assigned duties. The students' status as Indemnitees shall cease upon completion of their internship.

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(As amended effective July 1, 1995)

Amendment #6

By majority action of the Participants, the provisions of this Program are amended as follows:

St. Mary-Rogers Memorial Hospital shall be indemnified by this Program for acts of Professional Liability occurring between August 1, 1979 and November 8, 1995 with limits of liability of \$1,000,000 per occurrence and \$3,000,000 in the aggregate. Terms of coverage shall be consistent with the terms of the Health Care Facility Medical Professional Liability Protection insurance policy issued to St. Mary-Rogers Memorial Hospital by The St. Paul Mercury Insurance Company under Policy # HK00300644.

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(As amended effective July 1, 1995)

Amendment #7

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective August 31, 1995, Unity Health System, Inc. shall become a Participant in the SMHS Pooled Comprehensive Liability Program. Unity Health System, Inc. shall be considered a Participant for purposes of a separate limit of liability only at those times when the Medical Occurrence or Occurrence or injury giving rise to a claim or suit is separate and distinct from the activities or liabilities of the other Participants. At all other times, Unity Health System, Inc. shall be considered an Indemnitee of the Participant giving rise to the claim or suit and a separate limit of liability applicable to Unity Health System, Inc. shall not be available for payment of liabilities.

Effective May 1, 1996, Unity Health Services, L.L.C. shall become an Indemnitee of the SMHS Pooled Comprehensive Liability Program and shall be considered an Affiliate of Unity Health System, Inc.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #8

By majority action of the Participants, the provisions of this Program are amended as follows:

For the Annual Coverage Period commencing on July 1, 1996, Professional Liability coverage afforded by this Program to Mercy Health System of Kansas, Inc. shall be excess of the purchased insurance provided by PHICO under Policy #HCL4813 and Policy #HCL4555 (Limits of Liability:\$200,000/\$600,000) and participation in the Kansas Health Care Stabilization Fund (Limits of Liability: \$800,000/\$2,400,000). The Program's limits of liability shall be reduced by any payments made by the insurance carrier and the Kansas Health Care Stabilization Fund.

~~CONFIDENTIAL~~

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #9

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective July 1, 1996, the following shall become Participants in the SMHS Pooled Comprehensive Liability Program:

St. Anthony's Medical Center
St. Luke's Episcopal-Presbyterian Hospitals
Unity-St. Clement Health Services

Effective July 1, 1996, St. Luke's Health Corporation shall be deemed an Affiliate of St. Luke's Episcopal-Presbyterian Hospitals.

~~CONFIDENTIAL~~

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #10

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective August 9, 1996, Mercy Memorial Health Center shall become an Indemnitee of the SMHS Pooled Comprehensive Liability Program and shall be considered an Affiliate of Mercy Health System, Inc., Oklahoma.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended, July 1, 1995)

Amendment #11

By majority action of the Participants, the provisions of this program are amended as follows:

Retroactive to July 1, 1995, Article VII., 6. shall be amended as follows:

Any liability arising out of dishonest, fraudulent, malicious or criminal acts, errors or omissions.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended, July 1, 1995)

Amendment #12

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective May 1, 1997, St. Mary-Rogers Memorial Hospital shall terminate as a Participant in the Pooled Comprehensive Liability Program. Coincident with such termination, Mercy Health System of Northwest Arkansas, Inc. shall become a Participant in the Pooled Comprehensive Liability Program and shall assume the claims experience, loss history and funding obligations previously ascribed or allocated to St. Mary-Rogers Memorial Hospital. Mercy Health System of Northwest Arkansas, Inc. shall be liable for any assessments owed by St. Mary-Rogers Memorial Hospital and shall receive any credits or refunds due to St. Mary-Rogers Memorial Hospital. Upon termination as a Participant, St. Mary-Rogers Memorial Hospital shall become an Indemnitee under the Program as an Affiliate of Mercy Health System of Northwest Arkansas, Inc.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended, July 1, 1995)

Amendment #13

By majority action of the Participants, the provisions of this program are amended as follows:

For the Annual Coverage Period commencing on July 1, 1997, Professional Liability coverage afforded by this Program to Mercy Health System of Kansas, Inc. shall be excess of the purchased insurance provided by PHICO under Policy #HCL4813 and Policy #HCL4555 (Limits of Liability: \$200,000/\$600,000) and participation in the Kansas Health Care Stabilization Fund (Limits of Liability: \$800,000/\$2,400,000). The Program's limits of liability shall be reduced by any payments made by the insurance carrier and the Kansas Health Care Stabilization Fund.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended, July 1, 1995)

Amendment #14

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective July 1, 1997:

Alexian Brothers Hospital shall become an Indemnitee of the SMHS Pooled Comprehensive Liability Program and shall be considered an Affiliate of St. Anthony's Medical Center.

St. Joseph's Regional Health Center, Inc. shall terminate as a Participant in the Pooled Comprehensive Liability Program. Coincident with such termination, Ouachita Area Health System shall become a Participant in the Pooled Comprehensive Liability Program and shall assume the claims experience, loss history and funding obligations previously ascribed or allocated to St. Joseph's Regional Health Center, Inc. Ouachita Area Health System shall be liable for any assessments owed by St. Joseph's Regional Health Center, Inc. and shall receive any credits or refunds due to St. Joseph's Regional Health Center, Inc. Upon termination as a Participant, St. Joseph's Regional Health Center, Inc. shall become an Indemnitee under the Program as an Affiliate of Ouachita Area Health System.

Hot Spring County Medical Center, Hot Spring County Medical Foundation and Hot Spring County Medical Services shall become Indemnitees of the SMHS Pooled Comprehensive Liability Program and shall be considered Affiliates of Ouachita Area Health System.

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended, July 1, 1995)

Amendment #15

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective January 1, 1997, Ozarks Regions Health Systems, Inc. shall become an Indemnitee of the SMHS Pooled Comprehensive Liability Program and shall be considered an Affiliate of St. John's Health System, Inc.

Effective October 31, 1997, Breech Regional Medical Center shall become an Indemnitee of the SMHS Pooled Comprehensive Liability Program and shall be considered an Affiliate of St. John's Health System, Inc.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #16

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective July 1, 1998, Article VIII "Limits of Liability" is amended as follows:

Regardless of the number of Participants or Indemnitees, applicable coverages, persons or organizations who sustain injury, or claims made or suits brought on account of injury, the Program's liability shall be limited to \$10,000,000 per Occurrence or Medical Occurrence for all Damages arising from each and every Occurrence or Medical Occurrence covered by the Program.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #17

By majority action of the Participants, the provisions of this Program are amended as follows:

For the Annual Coverage Period commencing on July 1, 1998, Professional Liability coverage afforded by this Program to Mercy Health System of Kansas, Inc. shall be excess of the purchased insurance provided by PHICO under Policy #HCL4813 and Policy #HCL4555 (Limits of Liability: \$200,000/\$600,000) and participation in the Kansas Health Care Stabilization Fund (Limits of Liability: \$800,000/\$2,400,000). The Program's limits of liability shall be reduced by any payments made by the insurance carrier and the Kansas Health Care Stabilization Fund.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #18

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective October 1, 1998, St. Francis Hospital, Mountain View, Missouri shall become an Indemnitee of the SMHS Pooled Comprehensive Liability Program and shall be considered an Affiliate of St. John's Health System, Inc.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #19

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective December 21, 1998, Ouachita Area Health System shall terminate as a Participant in the Pooled Comprehensive Liability Program. Coincident with such termination, Mercy Health of South Arkansas shall become a Participant in the Pooled Comprehensive Liability Program and shall assume the claims experience, loss history and funding obligations previously ascribed or allocated to Ouachita Area Health System. Mercy Health of South Arkansas shall be liable for any assessments owed by Ouachita Area Health System and shall receive any credits or refunds due to Ouachita Area Health System.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #20

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective March 1, 1999, Unity Health Network, L.L.C. shall become an Indemnitee of the SMHS Pooled Comprehensive Liability Program and shall be considered an Affiliate of Unity Health System, Inc.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY AGREEMENT**

(As amended effective July 1, 1995)

Amendment #21

By majority action of the Participants, the provisions of this Program are amended as follows:

For the Annual Coverage Period commencing on July 1, 1999, Professional Liability coverage afforded by this Program to Mercy Health System of Kansas, Inc. shall be excess of the purchased insurance provided by PHICO under Policy #HCL4813 and Policy #HCL4555 (Limits of Liability: \$200,000/\$600,000) and participation in the Kansas Health Care Stabilization Fund (Limits of Liability: \$800,000/\$2,400,000). The Program's limits of liability shall be reduced by any payments made by the insurance carrier and the Kansas Health Care Stabilization Fund.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #22

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective July 1, 2000, all coverages under the SMHS Pooled Comprehensive Liability Program ("SMHS Pool") for St. Anthony's Medical Center ("St. Anthony's") and the respective St. Anthony's employees, officers, directors, medical staff members and other individuals and corporations identified as Indemnitees as a result of their association with St. Anthony's in Part VI of the SMHS Pool shall terminate, and St. Anthony's and the covered St. Anthony's individuals shall no longer be insured under any policies of insurance excess to the SMHS Pool.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #23

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective July 1, 2000, Hot Spring County Medical Center, Hot Spring County Medical Foundation and Hot Springs County Medical Services shall terminate as Indemnitees from the SMHS Pooled Comprehensive Liability Program as Affiliates of Mercy Health of South Arkansas.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #24

By majority action of the Participants, the provisions of this Program are amended as follows:

For the Annual Coverage Period commencing on July 1, 2000, Professional Liability coverage afforded by the SMHS Pooled Comprehensive Liability Program ("SMHS Pool") to Mercy Health System of Kansas, Inc. shall be excess of the purchased insurance provided by Employers Reinsurance Corporation under Policy #H00181 and Policy #H00182 (Limits of Liability: \$200,000/\$600,000) and participation in the Kansas Health Care Stabilization Fund (Limits of Liability: \$800,000/\$2,400,000). The SMHS Pool's limits of liability shall be reduced by any payments made by the insurance carrier and the Kansas Health Care Stabilization Fund.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #25

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective August 1, 2000, students currently enrolled in the Medical Technology clinical internship program at St. Mary's Mercy Hospital of Enid, Oklahoma shall terminate from the SMHS Pooled Comprehensive Liability Program.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #26

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective October 1, 1995 St. Mary's Mercy Hospital of Enid, Oklahoma ("St. Mary's") became an Indemnitee of the SMHS Pooled Comprehensive Liability Program ("SMHS Pool") and was considered an Affiliate of Mercy Health System, Inc. Effective August 1, 2000, St. Mary's, terminated as an Indemnitee from the SMHS Pool as an Affiliate of Mercy Health System, Inc. Claims arising from events occurring during the participation period remain the responsibility of the SMHS Pool.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #27

By majority action of the Participants, the funding provisions of this Program as set forth in Article IX, Section A, are amended as follows:

Effective July 1, 2001, the funding allocation methodology shall be determined actuarially and consider all factors influencing funding contributions such as claims paid, reserves, IBNR and exposure units over the most recent 5-year incurred loss experience at a level of 80% incurred losses/20% exposure units. Further, all claims and suits, existing on or after July 1, 2001, shall be subject to a one time \$15,000 deductible.

~~CONFIDENTIAL~~

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #28

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective March 31, 2001, all coverages under the SMHS Pooled Comprehensive Liability Program ("SMHS Pool") for St. Lukes Episcopal-Presbyterian Hospitals ("St. Luke's") and the respective St. Luke's employees, officers, directors, medical staff members and other individuals and corporations identified as Indemnitees as a result of their association with St. Luke's, as set forth in Part VI of the SMHS Pool, shall terminate, and St. Luke's and the covered St. Luke's individuals shall no longer be indemnified under the SMHS Pooled Comprehensive Liability Program.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective September 1, 2002)

Amendment # 29

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective September 1, 2002, pursuant to the request of Mercy Health System of Texas, all coverages under the SMHS Pooled Comprehensive Liability Program ("SMHS Pool") for Laredo Medical Group employees, officers, directors, and other individuals identified as Indemnitees as a result of their association with Laredo Medical Group, as set forth in Article VI of the SMHS Pool agreement, shall be limited to a maximum indemnification of \$1 million per occurrence and \$3 million annual aggregate per indemnitee.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended, July 1, 1995)

Amendment #

**[Per Bernie on 9/18/03 we DO NOT need this amendment. It was never
presented to Leadership Council. – RMS]**

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective _____, Unity Health System, a participant in the Pooled Comprehensive Liability Program changed its corporate name to St. John's Mercy Health Care. The participant's claims experience, loss history and funding obligations as previously ascribed or allocated to Unity Health System shall remain unchanged.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #31

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective February 26, 2002, Resource Optimization and Innovation LLC shall become a Participant in the SMHS Pooled Comprehensive Liability Program.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #32

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective August 18, 2003, Mercy Ministries of Laredo shall become a Participant in the SMHS Pooled Comprehensive Liability Program.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #33

By majority action of the Participants, the provisions of this Program are amended as follows:

Harborview Hospital an Affiliate of St. Edward Mercy Health Network has been an Indemnitee of the SMHS Pooled Comprehensive Liability Program ("SMHS Pool"). Effective June 13, 2003, Harborview terminated as an Indemnitee of the SMHS Pool as an Affiliate of St. Edward Mercy Health Network. Claims arising from events occurring during the participation period remain the responsibility of the SMHS Pool.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment # 34

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective September 12, 2002, Premier Health Insurance Company, Inc. shall become an Indemnitee of the SMHS Pooled Comprehensive Liability Program as an Affiliate of participant Mercy Health Plans, Inc.

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #35

By majority action of the Participants, the provisions of this Program are amended as follows:

Professional Liability coverage afforded by this Program to Mercy Hospitals of Kansas, Inc. shall be excess of any purchased policies required for participation in the Kansas Health Care Stabilization Fund. The Program's limits of liability shall be reduced by any payments made by the insurance carrier and the Kansas Health Care Stabilization Fund.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #36

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective October 1, 2003, Mercy Health System of Texas, an Indemnitee of the SMHS Pooled Comprehensive Liability Program dating from November 6, 1995, shall terminate as an Indemnitee of the SMHS Pool. Claims arising from events occurring during the participation period remain the responsibility of the SMHS Pool.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective October 1, 2003)

Amendment # 37

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective October 1, 2003, pursuant to the request of Mercy Health System of Texas, all coverages under the SMHS Pool for Laredo Medical Group, a Texas non-profit corporation are terminated, including, without limitation, all coverages that may apply to any claims in existence as of the effective date.

CONFIDENTIAL

**SISTERS OF MERCY HEALTH SYSTEM, ST. LOUIS
POOLED COMPREHENSIVE LIABILITY PROGRAM**

(As amended effective July 1, 1995)

Amendment #38

By majority action of the Participants, the provisions of this Program are amended as follows:

Effective October 1, 2003, Mercy Health System of Texas was eliminated as a Participant of the SMHS Pool. Due to real estate issues, effective October 1, 2003, Mercy Health System of Texas will be added back as a Participant of the SMHS Pool with limited coverage extended for General Liability only, no Professional Liability, as it is required for it or its affiliates under the following leases and until the term of the leases expire or are terminated pursuant to the provisions outlined in the leases.

- 1) Lease by and between Louise Longoria and the Louise Longoria Trust and Mercy Hospital of Laredo for the property at 1006 Garfield; Laredo, TX
- 2)